

HOW THE BUDGET IS PREPARED

The annual operating and capital budgets of the City are developed in accordance with the annual Comprehensive Development Plan (CDP), which is adopted each July for the succeeding calendar year. The CDP is developed utilizing citizen input through the Neighborhood Planning Unit (NPU) process, and public hearings are held in communities on a regional basis to solicit input into the plan. The chart on page A-2 indicates the relationship of the various segments of the planning and budgeting cycle. In addition to the hearings conducted by the executive branch described above, a legislative hearing is conducted by the council prior to final adoption of the CDP. The council Finance Committee holds at least one public hearing during the time it is deliberating the budget.

The City of Atlanta utilizes an executive budget process, in which all departments submit budget requests to the Mayor, who proposes a budget to the City Council. Council then may modify that proposed budget, and formally adopts the budget by Ordinance. Under the City Charter, budget adoption must take place by the second council meeting in the second month of the fiscal year (February). Between January 1 and such time as the General Fund Budget for the city is adopted by the Mayor and Council, the Chief Financial Officer, with the approval of the Mayor, shall be authorized to make such expenditures of city funds as are deemed necessary and proper for the continuing operations of the city and its various departments (Municipal Code 1965, Sec. 31-212, Section 7-1018). The Mayor has eight days following council adoption to approve, veto (including line-item power of veto), or allow the ordinance to become law without his signature.

The Mayor and council are restricted in budget making to using the estimates of revenue availability set by the Budget Commission of the city. The Budget Commission is made up of the Mayor, the Chairman of the council Finance Committee, the Chief Financial Officer, and two councilmembers appointed by the Mayor. In the absence of any rate change, the Budget Commission is restricted to setting revenue estimates no higher than ninety-nine percent (99%) of the prior year's actual receipts in each revenue category. Additionally, Budget Commission members are personally liable for any revenue shortfall.

The general calendar for budget preparation is as follows:

<u>Budget Action</u>	<u>Action By</u>	<u>Time</u>
1. Prepare and distribute budget calendar, forms and instructions	Dept. of Finance	October
2. Prepare Phase II budget requests (line item and work program data)	City Departments	October
3. Staff reviews of budget requests	Dept. of Finance/City Departments	November 7
4. Hold review sessions and finalize budget recommendations	Executive Officer/ Chief Financial Officer	Nov. 21-23
5. Submit executive budget recommendations to City Council	Mayor	December 15
6. Review Mayor's recommended budget	Council Finance Comm.	Dec-Jan
7. Hold Public Hearing	Council Finance Comm.	January

10. The City shall develop capital budgets and capital programs that facilitate advance planning for capital purposes. All capital expenditure commitments shall be made with the full knowledge of current and future operating requirements necessary to accompany the capital expenditure. Official commitment to fund necessary operating requirements must precede the commitment of capital funding.
11. Capital plans shall include replacement schedules that anticipate the inevitable aging and obsolescence of facilities and equipment. These depreciable assets should be financed through internal funds whenever feasible.
12. Any capital project financed through the issuance of bonds shall be financed for a period not to exceed the expected useful life of the project.
13. Competitive sales should be used to market debt whenever feasible. In negotiated underwritings, procedures should be implemented to ensure that underwriter profits are reasonable and that costs to the public are minimized.
14. All funds not immediately required for expenditure shall be invested by the Commissioner of Finance prudently in those securities authorized by State statutes and the City Code. The security of public deposits and investments shall be assumed through such measures as proper collateralization, credit analysis, and professional evaluation of the risk-return relationship.
15. Revenues and expenditures shall be projected annually for at least three years beyond the current fiscal year.
16. The City's overall revenue structure shall be reviewed periodically to determine its stability, equity, efficiency, and capacity to finance future operations. Where possible under Federal and State statutes, the City of Atlanta shall strive to diversify its sources of revenue so as not to be solely dependent on any one revenue source.
17. User charges shall be utilized whenever practical, especially if a particular service can be directly identified as benefiting one individual or entity.
18. All retirement systems will be financed in a manner to systematically fund liabilities. The City shall assure that sufficient funds are provided to pay current service plus interest on unfunded liabilities plus amortization of the unfunded liabilities over a programmed period.

SECTION 2: That these Financial Management Policies shall become effective upon adoption by the Council and approval by the Mayor or through action of law, and shall remain in effect until amended or specifically repealed.

SECTION 3: That all ordinances and parts of ordinances in conflict herewith be and are hereby repealed.

CITY OF ATLANTA

Property Tax Rates and Tax Levies 1985-1994

	CITY				SCHOOL				GRAND TOTAL
	General Fund	Debt	Park	Total City	City	Operating	Debt	Total School	
	<u>Operations*</u>	<u>Service</u>	<u>Improvements</u>	<u>Levy</u>	<u>Support</u>	<u>Operating</u>	<u>Debt</u>	<u>Levy</u>	
Tax Rates Per \$1,000 Assessed Value									
1985	6.96	1.69	.50	9.15	2.64	22.49	2.53	27.66	36.81
1986	7.63	1.69	.50	9.82	2.64	22.10	2.53	27.27	37.09
1987	8.49	1.41	.50	10.40	2.48	21.52	2.15	26.15	36.55
1988	9.51	.76	.50	10.77	2.48	22.11	1.36	25.95	36.72
1989	9.51	.76	.50	10.77	2.48	22.11	1.36	25.95	36.72
1990	10.67	.24	.50	11.41	2.41	22.68	.79	25.88	37.29
1991	11.55	.24	.50	12.29	2.49	25.50	.79	28.78	41.07
1992	11.42	.24	.50	12.16	2.41	25.50	.79	28.70	40.86
1993	9.23	.21	.50	9.94	2.26	23.66	1.11	27.03	36.97
1994	8.82	.25	.50	9.57	2.17	23.44	1.29	26.90	36.47

* Excludes millage levy for sales tax revenues shared with Board of Education.

Tax Levies

	Schools	General Fund Operations	Debt Service	Park Improvements	Total
1985	115,836,533	47,676,204	23,859,211	2,664,768	190,036,716(1)
1986	127,376,514	58,858,207	25,801,351	2,888,113	214,924,185(1)
1987	143,871,900	72,967,535	25,274,463	3,338,673	245,452,571(1)
1988	157,320,070	85,054,376	16,481,824	3,564,917	262,421,187(1)
1989	164,830,070	89,436,294	16,553,291	3,729,353	274,549,008(1)
1990	173,096,490	99,583,051	8,715,092	3,823,978	285,218,611(1)
1991	195,075,459	107,705,979	8,309,150	3,848,494	314,939,082(1)
1992	197,195,927	107,064,922	8,346,391	3,874,293	316,481,533(1)
1993	221,821,498	109,580,800	13,034,201	4,549,610	348,986,109(1)
1994	220,142,786	104,966,861	15,311,731	4,565,338	344,986,716(1)

(1) These totals do not include the Levy for the Special Tax District in that part of the City in DeKalb County. That levy is transferred to Fulton County to be used for Library Operations. These totals do not include intangible tax.

FUND:	A self-balancing set of accounts set aside and accounted for separately for the purpose of restricting specific revenues that are then spent for a specific set of activities.
INTERNAL SERVICE FUND:	A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies, on a cost-reimbursement basis.
MANAGEMENT OBJECTIVE:	Specific, measurable things to be accomplished which have the characteristic of being able to be controlled or affected by management decisions and direction.
MEASURE:	An absolute indicator of the attainment of an objective. May be simply a determinable result, or may consist of statistical data.
MILL	A measure of the rate of <u>ad valorem</u> (property) taxation, representing one (\$1) dollar of tax per one thousand (\$1,000) dollars of assessed property value.
OBJECTIVE:	Specific, measurable things to be accomplished.
OPERATING BUDGET:	The annual budget for the routine, ongoing activities and work program of an organizational unit, as opposed to budgets which may also be established for capital projects, grant funded projects, and other activities of a non-permanent nature.
PROGRAM:	A set of activities under a specific organizational unit.
PROGRAM CHANGE:	A proposed activity which is not presently in an organization's work program, nor funded in it's budget.
PROPRIETARY FUND:	A set of segregated revenue and expenditure accounts, set up for the purpose of showing net income, financial position, and changes in financial position. Enterprise Funds and the Internal Service Fund are Proprietary Funds.
RESERVE:	An account used to set aside and earmark monies for future use. Monies must be appropriated from the reserve account to an expenditure account for a specific purpose before they can be spent.
REVENUE:	The taxes, fees, charges, special assessments, grants, and other funds collected and received by the city in order to support the services provided.
USER FEES:	The payment of a fee for direct receipt of a public service by the person benefiting from the service.
WORKLOAD:	A measure of quantity produced, processed, handled, or otherwise acted upon or with by an organizational unit. Workload is preferably indicated with respect to a specific, identifiable period of time.
WORK PROGRAM:	The detailed set of things to be accomplished, within specified time periods, for an organizational unit.

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